Reader's Guide

Volume 2 – Program Offers

This volume contains the program offers submitted by departments and funded in the budget. Each section is separated by department, and contains the following items, in order:

- An introduction to the department along with budget trends and a program offer summary
- The department's program offers.

Program offers form the basis for the Priorities of Government budgeting process. They constitute a department's budget request *and* narrative budget, and provide the information that the Board of County Commissioners uses to select programs that will best address the County's priorities.

What makes a good program offer?

A good program offer explicitly shows the relationship between the program and the desired results for a given priority. Program offers should:

- Address cause and effect for the priority
- Describe how they will make a significant contribution toward achieving the priority outcome, as measured by the indicators
- Show why the County's spending on this priority is effective – the 'bang for the buck"
- Show evidence the program can deliver and measure its results
- Give performance measures that accurately track the program's contribution to the result.
- Link the offer to the policy direction/frameworks
- Describe program activities in layperson's terms.

"Nothing astonishes people so much as common sense and plain dealing."

~Ralph Waldo Emerson

Program Offers are not about funding programs because these programs exist – they are about outcomes. They emphasize meeting the County's goals, not preserving the government status quo. The following paragraphs describe the configuration of each program offer and the major types of information each should contain.

Program Offer Description

In Multnomah County's budget, a "program" is an organizational unit that provides services to the public or to other County departments or divisions. Its description should briefly and clearly explain the activities encompassed in the program offer. If the offer represents a change in current practice (a reorganization or change in staffing levels, service hours, etc.), it should briefly describe the nature of that change.

Program Offer Justification & Link to Priority

The justification should describe how the program will support the strategies outlined in the priority's strategy map and request for offers. It should cite research, experience, or logic to convincingly make the case. If it is a new program, it should note how the department created its costs.

Performance Measures

Every program offer includes two to four performance measures which indicate the level of service that the County can expect to receive if this program is selected. Two types of measures are required; the output which represents the volume of work to be delivered by the program, and the outcome which represents the measurable results of that work. For example, a hypothetical addictions treatment program for abused teenage girls might report the number of teenage girls who entered and received treatment (output), and the percentage of teenage girls who were clean and sober and completed their treatment plan upon exit (outcome).

Departments also have the option of including additional types of measures to better illustrate a program's performance. These can include resources other than staffing or finances (inputs), measures of the quality service that's delivered, and measures of service efficiency in terms of cost or time. Using the addictions treatment example above, inputs might be reported as the number of treatment beds available to serve abused teenage girls. Quality could be reported as the percent of teenage girls that rated counseling staff as engaging and supportive, and efficiency might be reported as the cost to the county for each successful treatment completion.

"I have no data yet. It is a capital mistake to theorize before one has data. Insensibly one begins to twist facts to suit theories instead of theories to suit facts."

Sir Arthur Conan Doyle, Sherlock Holmes

The performance measures are organized in a uniform table in each program offer. The table identifies the type of measure (output, outcome, etc.), the measure's definition, and several cells to report the results. The cells present program history where available, annualized estimates of the current service level (what's being delivered at the time of printing, where available), and the anticipated target service level for the upcoming year if the program is selected. Additional supporting information, such as explanations as to notable changes in a program's performance, are located in the description section below the table.

A program offer's performance measures are intended to align with the Priority's marquee indicators.

Legal & Contractual Mandates

Many program offers will be constrained by legal or contractual mandates. If a program offer is affected by a mandate, the mandate and its authorizing document (a statute, contract, etc.) should be noted.

Projected Program Costs

This area should show the full cost to the County of providing the program, including the program's share of administrative, support, or other shared costs, as well as the revenues generated by the program for its support. (*For more information please see the discussion of operating costs vs. administration and support costs on Page 5.)*

Explanation of Revenues

This section explains how non-General Fund revenues or General Fund fee revenues were estimated. Revenue estimates should clearly demonstrate the reasonableness of the estimate.

Significant Program Changes

This section should explain significant programmatic changes that affect the program—*not* financial changes up or down. Such changes might include the following information:

- Increases or decreases in the scope or level of services
- Increases or decreases in net personnel resources (FTE's)
- Revenue increases or decreases
- How this change affects other departments and/or service delivery programs.

In this section you will find a link from this years program offer to its FY 2007 predecessor, if applicable. Note that program offer numbering will have changed between fiscal years

Types of Program Offers

Program offers were categorized based on the "type" of services they deliver. Program offers fall into one of the following groups:

- Administration
- Support
- Operating Program
- New/Innovative Program
- Program Alternative/Reconstruction
- Internal Service
- Revenue

Administration

Department- or division-level management and related expenses (i.e. office space, supplies, telephones, etc.) Direct program supervision is considered to be a part of the operating program (NOT administration), and should be included in the operating program's offer.

Support

An activity in a department that provides services directly to some or all operating programs within a department. Examples include the Health Department's pharmacy, which supports the various health clinics; the Library's Technical Services, which maintains the Library's materials and catalog system-wide; or the District Attorney's Human Resources unit.

Operating

An "on the ground" activity of the County. Includes front-line supervisors/program managers with specific responsibilities for particular operating programs. An example would be the Health Departments Primary Care Clinics.

New/Innovative

"On the ground" or support activity the County currently does not perform.

Program Alternative/ Reconstruction

A program that has been or is currently operated by one or more County departments that is proposed to be operated in a different way, by different providers, or with different business models.

Internal Service Programs that support Countywide operations. Examples of these types of programs would be Fleet or Information Technology services.

Revenue These programs are used to budget discretionary (primarily General Fund) revenues *at the fund level*. Program revenues are budgeted within the applicable program offer.

Other Important Notes

Reading through the program offers, one should keep in mind:

- Program Offer characteristics (joint offers, backfill and offers requesting one time only resources)
- The way in which Program Offers are scaled
- The relationship between Administration and Support programs and Operating programs.
- How to read the content of the Summary of Programs

Characteristics of Program Offers

- **Joint Offers** Some County programs fall into a "continuum" of services, with different service elements provided by different County departments. Some or all elements of such services may best be proposed by two or more departments as one joint program offer.
- **Backfill -** Backfill is defined as "discretionary dollars (General Fund) applied to a program that formerly was funded by a grant, state, or other dedicated funding source. Explicitly identifying backfill allows the Chair and the Board to decide to partially or fully backfill expiring grants, state or federal funds with General Fund dollars.
- **One Time Only Resources -** For FY 2008, the County has available one-time-only funds for one-time projects. These funds will not be available in the following years and thus should be spent on projects that do not have or have minimal ongoing expenses.
- **Measure 5 Education Offers (NEW!**) - Multnomah County has General Fund revenues which are not derived from real property taxes. These revenues can be expended on educational services without violating the Constitutional limitation on spending real property tax for educational services. In order for the County to easily demonstrate that it has complied with the Constitutional limitation on spending for "educational services," departments can designate such programs so that they may be funded by non real property tax revenues.

Scaled Program Offers Many County programs can deliver their services at varying levels. For example, an Alcohol and Drug Treatment Program may be able to offer 100 beds, 150 beds, or 200 beds. Departments were asked, when appropriate, to provide decision-makers with the option to choose from among those levels. Looking at scaled program offers, one should consider:

- **The Base Level of Service -** Program "A" is the base level of service that can be provided while still delivering the expected results. In the example above, the base level of service would be 100 beds of A&D treatment. To see an illustration in the program offers please see the Department of Community Justice's Program 50047A-C Addiction Services.
- **Increments of Service -** Program "B and beyond" represent incremental levels of service that buy additional outcomes. In the A&D treatment example, one increment could be 50 additional beds, and another, separate increment could be 100 additional beds. Program offers were assembled to represent discrete increments of service.

Operating Costs vs. Administration and Support Costs

The program offers display each program's proportionate share of administrative and support costs. This information is intended to display the **full cost of operating the program** or providing the service. Departments determine how the total amount of department administration and support is divided among program offers. Some programs may be more administration-intensive than others, or may use support services that others do not.

Note that **administrative and support program offers** also are included in each department's budget. These are included in order to display the particulars of each department's administrative and support functions.

How to Read the Summary of Programs

The departmental program offer section contains two lists:1) operating programs, 2) administration and support programs. The operating programs can be viewed as the department's budget regardless of the funding sources.

There is one coding flag to look for. Program titles that begin with ***ALT*** denote alternative program offers to existing program offers. Alternative program offers are an either – or purchase, meaning you cannot purchase both.

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